

Judy Chu, Ph.D.
Chair, California State Board of Equalization
The Nation's Only Elected Statewide Constitutional Tax Authority
Fourth District - Los Angeles
Serving Over 8.5 Million People and 73 Cities In Los Angeles County

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e-Newsletter

Fall Edition

Dear Judy,

Welcome to my E-Newsletter! I am pleased to share updates with you on some of my work in Sacramento and in the Fourth District throughout Los Angeles County.

Please visit my [website](#) for more information about upcoming events, important news relating to the Board of Equalization, and to view my photo gallery. As always, please do not hesitate to [contact me](#) if I can be of assistance to you.

Sincerely,

A handwritten signature in black ink that reads 'Judy Chu'.

JUDY CHU, Ph.D.
Chair,
California State Board of Equalization

Dr. Chu's Tax Proposal Advances Further

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Upcoming Events

- **District Office Open House -Thursday,**



Dec. 11, 6:30 to 8:30 p.m., District Office, 1100 Corporate Center Drive, Monterey Park

A tax reform commission created by Gov. Arnold Schwarzenegger and Assembly Speaker Karen Bass in October will look into ways to modernize California's antiquated tax system, and will consider a proposal by Dr. Judy Chu to broaden the sales taxes to certain services.

In addition, Gov. Schwarzenegger incorporated some aspects of Dr. Chu's proposal in his proposal to address the state's critical revenue shortfall and worsening budget crisis. The Legislative Analyst has declared that the budget deficit for the next 1 ½ years is now \$28 billion.

Dr. Chu's plan would modernize the state's sales tax system, which was first implemented in 1933 when California still had a manufacturing-based economy, and hasn't been changed in 75 years. It would reduce the volatility of the state's revenues, and could raise between \$1.5 to \$8.7 billion annually for the state by extending the sales tax to services such as entertainment, auto repair, and dry cleaning and laundry.

"This budget can't be balanced by cuts alone," Dr. Chu said. "With this proposal, we can address the structural deficit that is at the center of our chronic fiscal problems."

Click [here](#) to read Dr. Chu's proposal.

Dr. Chu Conducts Collection Drive for Abuse Survivors

Dr. Chu teamed up with Kaiser Permanente Baldwin Park Medical Center and the National Council of Jewish Women/Los Angeles in October to host a month-long collection drive to benefit survivors of domestic violence.

The drive, which took place during Domestic Violence Awareness Month, led to a huge outpouring of donations including women's and children's clothing, used cell phones and other essentials. In all, more than 75 33-gallon bags of donations were collected, along with hundreds of used cell phones.



Volunteers are in the process of sorting through the donations and refurbishing the cell phones, which will then be distributed to domestic violence survivors through shelters and service providers throughout the San Gabriel Valley and the Westside.

According to Department of Justice Statistics, nearly a quarter of American women will be sexually or physically assaulted by an intimate partner. This means that a staggering 1.3 million women and 835,000 men are physically assaulted by an intimate partner every year.

Dr. Chu's Taskforce Targets Downtown Underground Activity



Dr. Chu joined investigators from various state agencies on Nov. 20 during an operation that targeted downtown Los Angeles sites where contractors were allegedly violating state payroll tax laws by paying employees under the table.

The operation, which targeted high-rise residential construction sites involving hundreds of workers, was the culmination of months of hard work by Dr. Chu's Underground Economy Taskforce. The Taskforce's main objective is to reduce the state's tax gap by collecting taxes owed to the

state by businesses that are engaging in underground activity.

The operation involved investigators from the BOE, Employment Development Department, Contractors State License Board, Cal/OSHA and DLSE. EDD investigators are in charge of determining whether contractors have been paying employees illegally off the books, while

Cal/OSHA officials examine work sites to identify possible violations of state safety requirements.

The Taskforce will continue to work to identify contractors who violate the law, and additional operations are planned for the near future.

Board Hearings Now Streaming Live!



Members of the public no longer have to make a long trek to Sacramento or wait for archived video of Board of Equalization Hearings in order to observe their own representatives in action. Beginning in October, the BOE now provides **live streaming** of Board hearings, straight to your desktop!

BOE meetings alternate between Culver City and Sacramento and are held every month (for a full schedule of this year's remaining meeting dates, including agendas, minutes and archived webcasts, click [here](#)).

To watch live streaming video of the meetings, go to the [BOE Website](#) on the day of the meeting. A link under the "**Spotlight**" section of the main page will direct you to the live webcast.

Dr. Chu Announces SCOP Initiative to Recover Unpaid Taxes

In an effort to address the state's multi-billion dollar budget deficit, Dr. Chu and the Board of Equalization recently announced the start of the Statewide Compliance and Outreach Program (SCOP), which is designed to identify and register California businesses operating without a seller's permit.



Dr. Chu strongly believes that part of the solution to the state's budget crisis is the closing of California's huge tax gap. The state is currently owed \$8.5 billion by people who haven't paid their taxes, \$2 billion of which is comprised of unpaid sales and use taxes.



In the coming months, SCOP teams throughout the state will conduct door-to-door visits to all non-residential businesses based on zip code. At each location, SCOP specialists will identify themselves, review documentation, check for a seller's permit, and take steps to get the owner to comply. If the SCOP teams find that a business is reporting its taxes incorrectly, they will advise the business to file amended returns or if the business has overpaid taxes, file a Claim for Refund.



E-Services Seminar Draws 200



Dr. Chu and the BOE teamed up with representatives from the IRS, EDD and the Franchise Tax Board on Oct. 2 for a successful Joint E-Services Seminar. The event helped more than 200 tax practitioners make the transition from costly and wasteful paper-filing of tax returns to the more cost-friendly and environmentally conscious method of electronic filing.

The BOE is in the process of discontinuing all paper returns. Beginning last June, the first group of 90,000 taxpayers were informed that they would no longer receive paper returns from the BOE and would be expected to file their returns online, with the ultimate goal of

phasing out most paper returns within the next two years.

It is expected that eliminating paper returns in the initial phase alone will result in an annual savings for the state of \$1.8 million in 2008-09.

To access the BOE's free "BOE-File" program, visit www.boe.ca.gov and click on the "E-File" icon.

Non-Profits Get Tax Advice

More than 300 representatives from non-profit organizations attended Dr. Chu's Non-Profit Tax Seminar, held on Oct. 21 in the San Fernando Valley. Attendees had the opportunity to meet with BOE, FTB, IRS and EDD experts to help guide them through the tax laws, exemptions, and reporting requirements for nonprofit and exempt organizations. The event also featured a special presentation on how to search and write grants.



"Often times when the government or private sector can't keep up with the needs of the community, it is the nonprofit organizations that make up the difference," Dr. Chu told those in attendance. "I personally have witnessed first hand the enthusiasm and compassion with which you do your work and I commend you for all that you do."

Thank you for your interest in the Board of Equalization. If you have any questions regarding the Board of Equalization, please contact our staff at 323-980-1221.

Sincerely,

Judy Chu
Chair, California State Board of Equalization